



## My Next Steps:

# Debt Management to Prepare for Transition from the Military



## Question

**Why is it important to pay down debt in preparation for my service member's military transition? Where can I go to get help?**



## Answer

An overall reduction in debt is one way to reduce stress in preparation for transition. Potential periods of unemployment, gaps in pay and benefits, and the loss of legal credit protections due to leaving service could make your family's military transition more difficult. Advanced planning to pay off debt, increase savings and identify any potential gaps is another excellent way to keep the stress level down.

A wise first step for any family transitioning from the military is to look at your credit report. You can get free credit reports each year from Annual Credit Report.com. Each report lists all credit in your name and shows your credit score. You and your spouse should request your own separate reports. Together, review the reports to check for accuracy and to better understand your credit score and what you owe. If there are errors, now is the time to get your reports corrected. A professional can help.

Free financial counseling is available to help you better understand your finances, avoid credit traps, and get on track to reduce your debt. A personal financial counselor or personal financial manager can be found through the Personal Financial Management Program on your installation, or by calling Military OneSource. These professionals can work with you one-on-one to make a plan to tackle your debt, repair your credit, and achieve other financial goals. If your debt is negatively impacting you

and your family, a PFC, PFM or a financial counselor may be able to connect you with a reputable credit counseling agency.

***“Free financial counseling is available to help you better understand your finances, avoid credit traps, and get on track to reduce your debt.”***

Support and financial assistance information is also available from the Consumer Financial Protection Bureau. CFPB's Office of Servicemember Affairs helps service members, veterans, and military families overcome financial challenges by providing educational tools and resources, monitoring complaints, and working with other agencies to solve financial problems. Visit the website to learn more.

Strive to reduce your family's financial debt before your service member transitions from the military. Check your credit reports and seek professional assistance. Make an appointment to meet with a personal financial counselor or personal financial manager on your installation or call Military OneSource right away.

## Visit MySECO on Social Media



## Resources at a Glance

- [Locate](#) a personal financial counselor or personal financial manager
- [Military OneSource](#)
- [Annual Credit Report.com](#)



## Steps to Consider

*These “Steps to Consider” are not meant as a checklist. Use the suggestions to facilitate a discussion with your service member.*

- Talk with your service member about your family’s debt and how this may impact your family after military transition.
- Obtain a free copy of your [credit report](#) for you and your service member. Check for errors, and note your credit score.
- Make an appointment to meet with a personal financial counselor or personal financial manager on [your installation](#).
- Connect with a [Military OneSource](#) financial counselor for an in-person, phone or video financial counseling appointment at 800-342-9647.
- Learn about the credit report support and other financial assistance for service members, veterans and their families offered through the [Consumer Financial Protection Bureau](#). Seek their help if needed.



## Resources

### Installation Resources

Locate a personal financial counselor or personal financial manager on the closest military installation:  
<https://installations.militaryonesource.mil/>

- In the dropdown menu, choose “I’m looking for a program or service.” Then, type in “Personal Financial Management Services” in the “I’m choosing from” text field. Next, you’ll be asked to filter by installation or zip code. After making your selection, select the “Search” button.

### Department of Defense Resources

- Military OneSource: <http://www.militaryonesource.mil/>; Call 800-342-9647 to arrange for a time to meet with a financial counselor
- Review the Financial and Legal section to learn about the services offered:  
[http://www.militaryonesource.mil/web/mos/financial-legal\\_](http://www.militaryonesource.mil/web/mos/financial-legal_)

### Virtual Resources

- Annual Credit Report.com: [www.annualcreditreport.com](http://www.annualcreditreport.com)
- Consumer Financial Protection Bureau: <https://www.consumerfinance.gov/servicemembers/>



## Notes

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## Related MySTeP Topics

### Financial Planning For Transition

- Personal Financial Counseling to Prepare for Transition from the Military
- Preparing for Financial Success after Transition from the Military

### Transition Assistance Training

- Military-Sponsored Transition Resources and Training
- Transition Assistance for Military Spouses